

**EAST STROUDSBURG AREA SCHOOL DISTRICT
BOARD OF EDUCATION
FINANCE COMMITTEE MEETING
March 9, 2015**

**Carl T. Secor Administration Building – Board Room
5:30 P.M.**

Minutes

- I. The Chairman, Robert Gress, called the Finance Committee meeting to order at 5:36 p.m. and led those present in the Pledge of Allegiance. Secretary, Patricia Rosado called the roll.
- II. Board Committee members present were: Robert Gress and Gary Summers. Ronald Bradley was absent.

Board Members: Robert Cooke and Eileen Featherman

School Personnel Present: Jeff Bader, Sharon Laverdure, Tom Lesniewski, Fred Mill, and Patricia Rosado.

Community Members Present: Judy Summers, Bill Surriano

Other: Annette Atkinson – Middle Smithfield Township Supervisor

III. APPROVAL OF AGENDA AND MINUTES

Motion was made by Gary Summers to approve the agenda for March 9, 2015 and with members of the Committee reserving the right to add to the agenda and take further action in the best interest of the District. Motion was seconded by Robert Gress and carried unanimously, 2-0.

Motion was made by Gary Summers to approve the minutes of the February 17, 2015 meeting. Motion was seconded by Robert Gress and carried unanimously, 2-0.

IV. ITEMS FOR DISCUSSION:

a. LERTA Discussion

Mr. Bader said that Mr. Chris Brown, solicitor, was not able to make the meeting tonight. He discussed the LERTA Proposal that Middle Smithfield Township sent to the Board for their review and approval. The Board can recommend any changes to the proposal.

Mr. Summers said that the Board has three options:

1. We don't want to participate.
2. Develop our own LERTA which we would author and approve by our school district which would pertain to our own district and not any other taxing authorities.
3. Work with Middle Smithfield Township to obtain agreement with changes and sign on with the Township.

Mr. Summers asked what is our solicitor suggesting that we do next. This proposal has not been discussed by the entire Board in an open forum. Mr. Bader said that LERTA can be

placed on the Board agenda to be discussed at Monday's Regular Board meeting. Mrs. Laverdure said that two Middle Smithfield Township Supervisors are coming to Monday's meeting to present the LERTA proposal and have open discussion with the community and Board members. Mr. Summers suggested that we impress on the Supervisors that they bring a complete and accurate description on what LERTA is and what it isn't because he is not sure what all Board members understand. They should explain in great detail what this program will mean to the school district and how it would operate.

Mrs. Laverdure said that the Supervisors were given a time restraint to present their information but the Board members drive the meeting.

Mr. Bader said that the Finance Committee can submit their specific recommendations to the entire Board. Mr. Gress said that he has concerns with the appeal process. Some businesses may want to participate in LERTA and then want to apply for a tax appeal on the property involved in the LERTA Program or other part of the parcel. Therefore, he suggested that this business be exempt from the tax appeal process since we are losing about 8.1 million dollars in reassessments. Another area to look at is where it states that they will pay 0% the first year should be reworded to 10% or we can look to see what percent everyone agrees upon. A five-year program may be a small window. It may be problematic to business owners to have different LERTA programs. With the Township Agreement, it may not pay for new business to be included. There are questions on the residential areas, too. Mr. Summers said if we are going to support LERTA, we should have one program and not separate ones. I believe there is wording to be eliminated from the Middle Smithfield Township proposal such as residential areas. Mr. Gress said that they need to understand that companies can build but not residential homes. Mr. Summers said that the proposal talks about companies but not residential use. In order to participate, they have to pay their taxes or forfeit their waiver. Mr. Gress said they should not be able to appeal on the assessments. The businesses may want to apply for LERTA on new areas but then apply for an assessment appeal on the existing part. Mr. Summers suggested that the township meet to classify what commercial zone is deteriorated. Mr. Gress said that he has concerns with what they determine is deteriorated.

Public Participation

1. Annette Atkins, Middle Smithfield Supervisor, handed out a package to the school Board members that she previously mailed out.
Mr. Summers asked if the Supervisors have a date for the public hearing.
Ms. Atkins said they would like to have it in early spring. There are a couple of residential areas in the zone that don't qualify, unless they apply for a different use on the zoning. Mr. Summers asked if they apply for the different use, and decide to build on it, then only the new area would qualify for tax exempt. Ms. Atkins said that only the renovated area would qualify but they have to apply. If a home has a garage that they use for business purposes, they would have a mix use but if they improve their residence it would not qualify. The idea of LERTA is to improve businesses in the area. Mr. Gress asked how long are the provisions good for. Mr. Atkins said she believes it is for 50 years. Mr. Gress said that the term will be discussed at Monday's Board meeting. We also need to check the assessment process with the county.
2. Mr. Bill Searing distributed a letter to the Board members regarding his support on the LERTA project.

3. Mrs. Eileen Featherman asked where does the county stand on this program. Mr. Gress said that he does not know but the School District has to decide. Mr. Summers said that when he along with Bob Gress, Tom Dirvonas and Chris Brown met with the Commissioners in October, John Moyer's biggest issue with LERTA was the entire zone. He does not know of any other issues. Mr. Gress suggested that the Board members bring all their questions and concerns to the Board meeting on Monday. Mrs. Featherman asked who will determine what properties qualify. Mr. Gress said that right now Middle Smithfield Township is saying all properties in the area qualify. It is up to the Board if they want to choose just certain properties. Mr. Summers said that the ordinance says individual property can be expanded. Mr. Gress said that the document listed each property. Mrs. Featherman asked if we have to hire somebody to do the approvals and non-approvals. Mr. Gress said that we don't but there may be a committee set up to review. Mr. Summers said that since we are a local taxing authority, we will be notified before they want to apply for LERTA for new construction or renovation on their property. They apply at the Assessment Office. As long as it is a new, they will get an exemption. Mrs. Featherman said; therefore, the Board will not approve individually but will need to approve the plan as a whole. Mr. Summers said she is correct.

b. 2015-16 Governor's Budget

Mr. Bader said that the Governor's budget proposal for 2015-16 includes the funding that was previously cut for ABG, EAP, and Charter Schools reimbursement in the Basic Ed Funding (BEF) allocation. For the East Stroudsburg Area School District, the increase in BEF is approximately \$1.7M. We have budgeted about 13.2 million dollars and the Governor's proposal, if approved in its current form is for approximately \$15.9 million dollars. There is also an increase funding for Special Education to be allocated under the new funding formula, which provides additional funding for higher need students. The Governor's budget is dependent on significant new taxes and changes to existing taxes that the Legislature has not shown an interest in approving in the past. In addition the opposite party has control of both houses of the Legislature. As a result, we have projected no increase in funding for Basic or Special Ed for 2015-16. Mr. Summers said that he saw an email from PSBA and he recommends that we don't spend any of the extra Basic Education money.

c. Recap of Meeting w/ Legislators

Mr. Gress said that, in his opinion, the meeting they had with the Legislators was a waste of time. He cannot believe that one of the Representatives recommended that the district eliminate transportation. The Representative suggested that the parents transport the students. Mr. Summers said if we place this recommendation on the agenda, the Board will vote it down. Mr. Gress said the Legislators said to cut back on expenditures but he believes their budget will not be done by July 1st. Mr. Summers suggested stepping back and addressing the reality of what we are facing in the next two years. Like it or not, we can't get out of this hole if we depend on Harrisburg. We need to take a real hard look at everything because we cannot continue to do what we are doing. We need to look at all options because we don't want to start closing schools or laying off staff. Let's step back and think about it because he does not support raising taxes this year. We should spend the fund balance this year and next year take a look at the following year because Harrisburg's budget will not be approved in time. Mrs. Laverdure asked for direction on how to proceed when reviewing the budget. Do the Board members have any ideas? Are

Board members willing to analyze professional recommendations in a logical manner or maybe look at a wish list? Mr. Summers said he does not recommend a wish list. We should look at the 2015/16 budget and use the best numbers to come up with a budget. Balance the budget with the reserve and see if we will need to use everything to cover this year. Mrs. Laverdure said they can do this and have personnel recommendations or cuts. Mr. Summers said we are not suggesting cutting programs but take a long term view at what we are offering. If there is something we do not need any longer, it can save us money in five to six years. Mr. Gress said that the district cut back in graduation credits. Mr. Summers suggested reviewing the past ten years to see what is no longer needed. We should start reviewing now and outline all items. Mrs. Laverdure said we need to start putting things on the table now. Mr. Gress said that it may not be this Board that decides because next year the Board may have six new individuals. He suggested resurrecting the lawsuit for better funding. Mrs. Laverdure said that they will need to make bold decisions. Mr. Gress said they will but he will never agree to eliminate Behind the Wheel training because it saves lives. Mr. Summers suggested getting together with Board members and administrators to review what needs to be done and what can be done. There is an undercurrent from Legislators. Legislators think that the school district spends too much money. They should show us where the money is being overspent. They have to change the formula so they can give us what we are supposed to get. Mr. Gress said the formula hasn't been changed since 1933. Mr. Summers said that we need to make sure that when we spend money, we are spending it wisely. For instance, recently we spent money on Achieve 3,000, Bus Cameras, Projectors, etc. We need to see the benefits of these purchases and need to be more rigorous when making these decisions. Mr. Bader suggested making decisions soon of where they will be trimming and cutting programs because it takes time to make the changes. Mr. Summers said he agrees to begin the conversations now and then when new people come on board, will have an idea where everything stands. Mrs. Featherman said that she knows that Mrs. Laverdure has done a tremendous amount of work in addressing all these areas. Later down the road, they may need to raise taxes. Programs for students were needed and cameras on buses to avoid any legal issues. Mr. Summers said that he is not suggesting that the ball was dropped but what was done may not be enough. Mrs. Featherman said the majority of the Board says, "No" to a tax increase but it may need to happen. Since Harrisburg is not increasing funding, we need to see how to do things differently. Mr. Gress said that all expenses add up. If we start getting more students into the district, it will get worst. Mrs. Laverdure said we will need to recommend items that will not hurt the students. Mr. Summers said that the Representatives and Senators heard about our issues and said we cannot count on them this year but what about next year or the year after. PDE should come in and see how we are educating our students and see how they would do it differently. Mrs. Laverdure said that we had Distinguished Educators that came into the district about 4-5 years ago to evaluate us. They said we are doing a fine job. Mr. Summers suggested bringing them back. Mrs. Laverdure said their positions were cut. Mr. Gress suggested inviting Senators Baker and Blake to hear all of our concerns.

d. Senior Citizens Property Tax Rebate

Mr. Bader said that the new procedures and forms are in place and the new deadline date was advertised. Mr. Gress said that we cannot raise the rebate any more. Mr. Summers said that we have already gone above and beyond. Mrs. Laverdure said that they can have flyers sent out through the students who are on the E-team when they have their Community Technology Outreach Day. Mr. Gress suggested informing the senior centers.

Mr. Bader said that the local Legislators help the senior citizens with the paperwork for their property tax rebate.

e. Central Bus Compound

Mr. Gress said he had dialogued with Chuck Leonard about natural gas. Mr. Summers asked if Mr. Leonard thinks there is natural gas available. Mr. Gress said, "Yes" and their maybe some reimbursement available. Mr. Leonard will be coming to the next meeting to speak about his issue. Mr. Leonard and Mr. Sutjak can discuss how to combine and see some savings.

f. Transfinder Contract Addendum

Mr. Bader said that Transfinder will provide the district with the Monroe County Data bus mapping services to help fill out what is not done. There is no extra cost to the district to existing contract. They have provided and addendum to the contract. Mrs. Laverdure said that Mr. Sutjak continues to look at more effective bus routes to eliminate buses. This system will help us save money by collapsing many stops. Mr. Bader said that once this system is up and running, we can take a look at a bus compound.

g. Lehman Township Storm Water Management Agreement

Mr. Bader said that the Lehman Township Storm Water Management Agreement is for the turf field at High School North which we have to maintain. Mr. Gress asked if Mr. Dirvonas looked at it. Mr. Bader said that Mr. Dirvonas was given a copy. Mrs. Laverdure said that this document needs to be revised. Mr. Summers asked if we have done this before. Mr. Bader said we have not. Mr. Summers suggested that Mr. Dirvonas look at it and contact their solicitor. He suggested that the document be revised with current names on it.

h. Employee Assistance Programs

Mr. Bader asked for direction on the Employee Assistance Program that was presented at the last Finance Committee Meeting. Mr. Summers said that the Professional and Support Staff unions should review and provide their feedback. It can then be talked about at the next meeting. Mr. Gress said this program can save someone's life because we never know.

i. Procurement Cards

Mr. Bader asked for direction on the Procurement Cards information that he presented at the last Finance Committee Meeting. Mr. Summers suggested that all documents be consistent when it comes to the terminology that is used.

i. Draft Board Policy

ii. Draft User Policies & Procedures

iii. Draft User Agreement

j. Referee Payments

Mr. Bader asked for a recommendation from the Committee to pursue entering into an agreement with ArbitrPay to pay athletic officials effective with the fall 2015 athletic season.

k. Property & Facilities Items

Mr. Bader said the following items were going to be discussed at the Property & Facilities Committee meeting last week, but it had to be canceled due to inclement weather.

Therefore, the Finance Committee would need to recommend for the items to be placed on the Board agenda. Mr. Summers suggested that the following items be placed on the Regular School Board meeting agenda for consideration.

- i. Bushkill Snowguard & Gutter Bid
- ii. Northsite Concrete Bid
- iii. JTL HVAC/Lighting – Wind Gap Electric Pay App #5
- iv. JTL HVAC/Lighting – Myco Mechanical Pay App #9

V. PUBLIC PARTICIPATION – LIMITED TO ITEMS OF DISCUSSION

None

VI. ADVISORY RECOMMENDATIONS FOR CONSIDERATION BY THE BOARD OF EDUCATION

RECOMMENDATION BY THE COMMITTEE:

Motion was made by Gary Summers to recommend that the Board consider for approval the following items: Motion was seconded by Robert Gress and carried unanimously, 2-0.

1. To arrange for a public hearing with Middle Smithfield Township and Monroe County pursuant to the Local Economic Revitalization Tax Assistance Act and to develop proposed resolutions for consideration and adoption by all three taxing authorities at said public hearing.
2. The February 20, 2015 Statement of Work addendum to the existing contract with Transfinder as presented at this meeting to provide mapping services for the Transportation Department at no additional cost to the district.
3. The Stormwater Management Agreement with Lehman Township.
4. The use of ArbiterPay to pay athletic officials effective with the fall 2015 athletic season.
5. The Property & Facilities Items:
 - a. Contract for the Bushkill Snow Guard and Gutter replacement
 - b. Contract for the Northsite Concrete Project
 - c. Pay Application #5 from Wind Gap Electric in the amount of \$51,219 for the JTL HVAC/Lighting project
 - d. Pay Application #9 from Myco Mechanical in the amount of \$163,069.65 for the JTL HVAC/Lighting project

And

6. To forward Board Policy # #625 - Procurement Cards (New Policy) to the Policy Review Committee for first reading.

VII. NEXT MEETING – April 13, 2015 at 5:00 p.m. in the Administration Center Board room.

VIII. ADJOURNMENT - 6:58 p.m.

Respectfully submitted,

Patricia L. Rosado,
Board Secretary